

Tuesday, July 24th, 2007

**Michigan House of Representatives Committee on Government Operations
Hearing for Bill #4854, Entitled: “Public Employee Retirement System
Investment Act”**

Testimony by Nine 4 Peace Committee in Favor of Bill #4854

Contributing to the testimony of Nine 4 Peace are the members of the Nine 4 Peace executive committee: Devon Porter, Ashley Addrow-Pearson, Sherese Woolard, DJ Heebner, Yue Li, Stuart Zeltzer, Kristine Kendall, Lauren Davies, and Horia Dijmarescu.

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Dear Representatives of the Committee on Government Operations, Lisa Wojno, Kathleen Law, Paul Condino, Bob Constan, Gino Polidori, Coleman Young, Jacob Hoogendyck, Joe Hune, and David Law:

Since 2003 the government of Sudan has been carrying out, with the aid of nomad Arab militias, collectively known as the Janjaweed, a campaign of genocide against the African population of the western provinces of the country that make up the Darfur region. The United Nations declared in 2004 that the situation in Darfur, Sudan and the surrounding area is the worst current humanitarian crisis. Also that year, President George Bush and the United States Congress unanimously declared the situation in Darfur, "genocide."

Since the beginning of the conflict it is estimated by the United Nations that between 400,000 and 600,000 people have perished in the genocide. The brutality by which the government-back Janjaweed conducts its murderous activities is a signature of the genocide itself. Men and the elderly are generally shot and killed in front of their families, women and young girls are raped or gang-raped, mutilated or left to die, and children are beaten, taken into slavery, or enlisted as child soldiers. The Janjaweed burns or bombs (using government procured helicopters and weapons) entire villages and after having pillaged, throw corpses in to the village wells to render them useless for generations to come.

There are nearly three million men, women, and children displaced along the Chad-Darfur border as refugees as well as internally displaced persons—the most dangerous in the world. These men and women are in danger of starvation, disease, and further violence unless the government of Sudan will rapidly change its policies. 2.5 million of these people are 100 percent dependent on humanitarian assistance. Displacement does not mean that people get in their cars and drive to a safe place. They leave their home with their few belongings on their backs, carrying their children, with no idea how they will eat or even find water. Mothers will pass the hours listening to their children cry from hunger and watch their babies die because they have no milk in their breasts. Vultures stand patiently next to abandoned babies waiting for them to die. Refugees must boil grass to survive. The young children that do not die are enslaved by the Janjaweed militia and brutally maimed as they are dragged away to spend years in captivity.

The Darfur Peace Agreement was brokered in May 2006 between the government of Sudan and one faction of Darfur rebels. However, the violence has escalated, with infighting among the various rebel groups and factions dramatically increasing and adding a new layer of complexity to the conflict. This violence has made it dangerous, if

not impossible, for most of the millions of displaced persons to return to their homes. In August, the UN's top humanitarian official stated that the situation in Darfur is "going from real bad to catastrophic." In addition to the detracting humanitarian condition in the area, organizations like the International Committee of the Red Cross have been forced to retract their operations from some regions due to the dangers posed to their operatives, therefore robbing the Sudanese IDPs and refugees of the aid on which their survival depends. In 2006, the United Nations World Food Programme was forced to cease over fifty percent of its food dropping activities due to lack of available funds. The World Health Organization declared in 2004 that between 6,000 and 10,000 refugees die each month.

Meanwhile the international community has been ineffective in ending the heinous crimes applicable to Darfur primarily because of the important economic relationship between Sudan and China. Considering Sudan's national debt remains at 107 percent of the country's gross domestic product (Central Intelligence Agency World Factbook), and the fact that Sudan's economy has been growing at an annually rate of nine percent (United Nations Food and Agricultural Organization), placing it among the world's fastest growing economies, it is apparent that Sudan's development is directly reliant on foreign direct investment. With China procuring more than ten percent of its petroleum imports from Sudan, and Sudan distributing more than sixty percent of its oil to China, Beijing is among the largest investors in Sudanese petroleum exporting-related infrastructure.

Given the grave nature of the crimes committed by the Sudanese government and of the relative economic instability in the country, divestment and economic action is necessary to convince both Sudan and its allies, including China, to proceed in favor of the people in Darfur to end the violence, and allow for the accessibility to humanitarian assistance. Bill #4854 is designed to influence the actions of the Sudanese and Chinese governments without causing damage to the livelihood of the underprivileged local population. Provisions of this bill require that only companies with dubious operations in Sudan, which provide no humanitarian assistance to the people thereof, and that provide financial capital mostly through oil-exporting/energy-sector related transactions or weapons and arms contacts, are ultimately targeted for divestment.

The bill gives the opportunity to companies to change their behavior before divestment ensues stating in article V, section B and C; an actively operating company is given ninety days to clarify its Sudan operations, or, if it retains only inactive operations in Sudan, it is urged to continue with its inactivity. Companies are given the possibility to be removed from the scrutinized company list before divestment begins, and the option to remove their name from that list after divestment has started as well if they comply with the demands of the legislation.

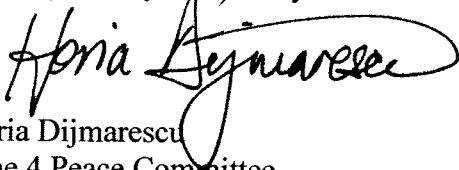
This investment act also protects workers in Michigan and in the United States. The United States has had on Sudan rigid sanctions for over a decade, and very few U.S. companies have active operations in Sudan. For those, which do, the bill provides in article VII, section D, that if the President or Congress, by an affirmative declaration,

declare divestment from any company as inferring with the conduct of United State foreign policy, reinvestment may proceed. The State of Michigan's employee retirement investments are also protected by this legislation, as reinvestment in a company may follow any drop in the returns of the retirement system that exceed .50 percent of the hypothetical value of assets assuming no divestment had taken place (pursuant to article 9 of the bill). Funds may be divested over the course of several months, with the full removal of funds required only after fifteen months subsequent to the appearance of a company on the scrutiny list, further insulating retirement returns from a rapid drop in revenue (article V, section E, part ii).

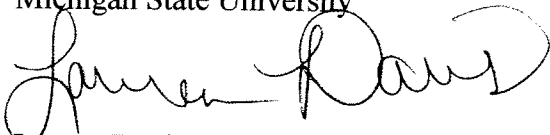
The bill is strong in that it clearly defines the criteria by which companies must be judged to either be included or excluded from the scrutiny list to be complied by the retirement system.

With the potential for destabilizing the entire region, the Darfur crisis not only reduces the economic opportunities of all parties involved, but also indirectly provides a safe haven for terrorism. The prospect of ending the crisis resides in divestment and the pursuit of economic action against the oppressive and genocidal Sudanese government and regime.

Thank you very much for you time and generous consideration.



Horia Dijmarescu
Nine 4 Peace Committee
Michigan Darfur Coalition
Michigan State University



Lauren Davies
Nine 4 Peace Committee
University of Michigan



Kristine Kendall
Nine 4 Peace Committee
Michigan State University

Note: Information regarding the economic and humanitarian situation in Sudan that was not cited in the above-stated testimony was made available by the Save Darfur Coalition, the Sudan Divestment Task Force, Professor Eric Reeves, the US Library of the Congress, and Medecins Sans Frontieres.